



State of Ohio Environmental Protection Agency

Southeast District Office

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

October 21, 2009

Re: Belmont County
American Energy Corp., Century Mine
0IL00091*GD
Compliance Evaluation Inspection
Correspondence (IWW)

Mr. Farley Wood, Director of Env. Compliance
American Energy Corp. Century Mine
43521 Mayhugh Hill Road
Beallsville, Ohio 43716

Dear Mr. Wood:

On September 16, 2009, I conducted a Compliance Evaluation Inspection (CEI) at the American Energy Corporation (AEC) Century Mine. Fred Blumling, Engineer, represented AEC on the inspection.

The purpose of the inspection was to determine AEC's compliance status with the terms and conditions of the NPDES permit, federal number OH059552, state number 0IL00091*CD. A copy of the inspection form is attached.

Based on the inspection and file review, the facility was found to be in compliance with the permit on the day of the inspection. As a result of the inspection and file review of information since the last inspection on November 11, 2006, I have the following comments:

1. A review of the Monthly Operating Reports (MORs) from January to September 2009 indicates the following violations of the NPDES permit at the sanitary sewage wastewater package plant outfall 017 and the sediment pond 015:

017: Dissolved Oxygen 1/09 daily minimum; Fecal Coliform 6/09 weekly and monthly averages.

015: Manganese 2/09 monthly average.

AEC must make every effort to comply with the NPDES permit.

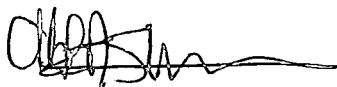
2. The sewage treatment plant needs to be evaluated by a contract operator to see how it could operate better. Although the effluent complies with the limitations in the permit for the most part, AEC is controlling the effluent by pumping out sludge once a quarter instead of tweaking the plant to operate properly.

Also, the sand filter beds need to have weeds removed and the sand raked to be level. Any solids that have washed out onto the sand should be raked up and hauled to a landfill. Care should be taken not to remove too much sand, or more (approved sand filter) sand will need to be added.

3. The sewage treatment plant is operated by William Deter, class I wastewater operator, who works for Quality Environmental Services. As the Operator of Record, Mr. Deter must keep the records required by Ohio Administrative Code (OAC) chapter 3745-7-09. The records should include his hours at the plant and specific operation and maintenance activities that affect or have the potential to affect the quality or quantity of sewage or effluent. The records are to be kept on site (at the mine).
4. On March 22, 2007, Ohio EPA issued Directors Final Findings and Orders (DFFO) to AEC for a slurry line breach that affected Captina Creek. In accordance with the DFFO, AEC can request termination of the DFFO if a certification is submitted in writing indicating that AEC has performed all of the obligations under the orders. See page 8 of 10 of the DFFO, section VI. Termination. The DFFO can be found on our website at:
<http://www.epa.ohio.gov/portals/35/enforcement/AmericanEnergyCorp.pdf>
5. The NPDES permit will be renewed this year for AEC. Possible changes to the permit include: compliance schedules to meet Total Dissolved Solids and Toxicity limits; and additional metals monitoring.
6. Captina Creek is an exceptional warmwater habitat stream, one of the highest quality streams in the state of Ohio. It is imperative that AEC make every effort to protect the stream from damages and impacts from the coal mining and other industrial activities.

Please respond to the problems identified in items 2 and 3 above within 20 days of receipt of this notice. If there are any questions, please contact me at (740) 380-5284.

Sincerely,



Ms. Abbot Stevenson
Environmental Engineer
Permits and Enforcement Section
Division of Surface Water

AS/dh

Enclosure

c: Dave Clark, ODNR DMRM
c: AS file